

# Integrating Unpaid Work into Development Policy<sup>1</sup>

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Unpaid work is the work that is not remunerated directly or even indirectly some times. This work can be ‘economic work’ falling within the production boundaries of the UN system of National Accounts (UNSNA) i.e. the boundaries that have been developed by the UN to determine what is to be included in national accounts; or it can be ‘extended economic work’ (or ‘non-economic work’) that falls outside the UN production boundaries, but within the general production boundary, which includes any human controlled activity resulting in outputs capable of being exchanged.<sup>3</sup> We will call the ‘economic work’ as ‘SNA’ work and the ‘extended economic work’ as ‘ESNA’ work.

Unpaid SNA work can be divided into two categories: (1) under counted work, i.e. the work which is not fully counted due to the conceptual and methodological problems of data collection. The under counted sectors are frequently described as “difficult to measure sectors” and these are unpaid family work, home work, home based work, self employment work and other informal sector work and (2) uncounted work, i.e. the work that is not counted in several countries because of their limited coverage of economic work in their national accounts system. This work is primarily subsistence work, the output of which is meant for self-consumption by households. The 1993 UNSNA has included this work within the purview of national income, but many countries have not yet included it in their national income estimates.

Unpaid ESNA work or extended economic work is ‘uncounted work’ as most countries have excluded it from their coverage of national income. This work includes unpaid work related to home management, care, etc and voluntary work.

The above division of total work in to SNA and ESNA categories needs to be seen in the context of the long term, and perhaps ongoing process of categorization of work under the UN-SNA. Subsistence work (production of goods for self consumption) was included in “economic activities” only in 1993, when the UNSNA underwent a major revision of the production boundaries to include non-marketed work in to its purview. The production boundaries were relaxed to include this non-marketed work, because it was believed that the goods produced for self-consumption have a market and in this sense they are potentially market goods, and that the goods have prices that can be used in

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<sup>3</sup> For an activity to be covered under extended economic activities two conditions are necessary: (1) It must be carried out under the control and responsibility of an institutional unit exercising ownership rights on what is produced (natural processes without any human involvement are excluded), and (2) There must be marketability of being exchanged, though actual exchange is not necessary. (UN 1993)

computing their value. The non-marketed goods included in the 1993 SNA production boundaries included

- Household production of goods for own final use, including crops and livestock, production of other goods for own consumptions and own account fixed capital formation.
- Owner- occupied dwelling services, and
- Paid domestic services, i.e by employment of paid domestic staff.

The illustrative list of the non marketed goods included in the production boundaries has been given in the official document on 1993 SNA.<sup>4</sup>(UN 1993). According to the 1993 SNA, production of different goods, including collection of free goods, is to be included in the production boundaries provided it is of ‘significant’ scale. The significance, means that the amount produced is believed to be quantitatively important in relation to the total supply of that good in the country.

This relaxation in the production boundaries, however, was not made for production of services for self-consumption, except for the own account production of housing services by owner-occupiers and of domestic and personal services produced by employing paid domestic staff. That is, unpaid domestic services do not form a part of national income.

This exclusion of service<sup>5</sup> from the production boundaries has been made on the grounds that (1) these services have limited repercussions on the rest of the economy, (2) it is difficult to impute monetary values of these services and (3) their inclusion will have adverse effects on the usefulness of the accounts for macroeconomic analysis and policy purposes. (UNSNA1993). These arguments, however, do not seem to be very acceptable: Firstly, these services do not have a limited repercussion on the rest of the economy because these services contribute significantly to the total human welfare and well being and to human capital formation. Secondly, though there are problems with respect to their monetary valuation, these problems are resolvable. And thirdly, Attempts need to be made to find out ways and means of incorporating them into macro policies in a meaningful way rather than exclude them from the production boundaries.

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<sup>4</sup> Production of agricultural products and their storage, collection of firewood, hunting and fishing and forestry including woodcutting; production of other primary products such as mining salt, peat extraction, and the supply of water; processing of agricultural products; the production of grain bag; the production of flour by milling; the cutting of skins and the production of leather; the production and preservation of meat and fish products; the preservation of fruits by drying, bottling etc; the production of dairy products such as butter or cheese; the production of wine, bear or spirits; the production of baskets or mats etc. and other kinds of processing such as measuring cloth; dressmaking and tailoring; the production of foot wear; poultry, utensils or durables; making furniture or furnishings etc.

<sup>5</sup> The main categories of domestic services are excluded are (1) the cleaning, decoration and maintenance of dwelling occupied by the household, (2) the cleaning and servicing and repair of household durables including vehicles used for household purposes, (3) the preparation and serving of meals, the care, training and instruction of children, (4) the care of sick, infirm people and (5) transportation of members of the household and their goods.

The division of activities into economic and non-economic activities under the 1993 SNA, however, is a step forward. The concepts of the 1993 SNA should be seen as a stage in the development of national accounting rather than the final stage of development of the UN-SNA. To put it differently, the concept of non-economic unpaid work is in a fluid status, as it may acquire the status of economic unpaid work in the future! The unpaid non-economic work is after all a macro economic variable.

### **Inclusion of Unpaid Economic Work Correct Macro Economic Aggregates**

An important aspect of unpaid economic work is that its inclusion provides correct estimates of macroeconomic aggregates like the work force of the economy or the total national income.

Conceptually speaking the total workforce in any economy includes all those who contribute to the gross domestic product (GDP) of the economy. That is, there is always a correspondence between the GDP generated in the economy and the total workforce that contributes to its generation. One of the tasks of labour force surveys is to net all the workers accurately. Conventional labour force surveys, however, fail to provide correct estimates of workers employed in petty trade and services, home work (piece rated sub contracted work), home based work, unpaid family work and other informal work. This is firstly because of the problem of definition or concept of economic work. In several cases particularly in developing countries where household work and economic work are mixed up, it is not easy to demarcate between economic work and non-economic work and to identify economic work clearly. Secondly, informal work is frequently short term, sporadic, scattered and temporary, which makes it difficult to measure it through conventional surveys. And thirdly, there are socio-cultural biases on the part of respondents as well as on the part of interviewers that prevents them from identifying economic work. In addition, measurement of subsistence work, which is not exchanged in the market, poses several additional problems in terms of its identification. As a result, the size of the workforce is frequently under estimated.

Accurate estimates of unpaid economic work, through appropriate survey methods (such as time use surveys), will provide correct estimates of the total workforce of an economy. This improved measurement of this important macro economic variable will help in designing policies related to employment and labour market.

Improved estimates of unpaid work will also help in improving estimates of the GDP, which is again an important macro economic variable. Several countries compute GDP from the different sectors of the informal economy by multiplying the average production per worker (arrived at by conducting special surveys) with the number of workers engaged in these sectors. Since the numbers of workers are underestimated, the GDP from these sectors also tends to be under estimated. With the improved estimates of the work force engaged in the different sectors, it would be possible to get improved estimates of the GDP. Inclusion of unpaid economic work will thus provide improved estimates of the workforce and the GDP. Policy makers will be in a better position to understand the economy as defined under the 1993 SNA.

## **Inclusion of Extended Economic Work (ESNA) For Improved Understanding Macro Economy**

Estimating and understanding unpaid non-economic or extended economic work (we call it ESNA), which includes unpaid domestic and voluntary services, will improve our understanding of the macro economy.

Total work in any economy can be divided into two parts, namely economic work (i.e. SNA work) and extended economic work (i.e. ESNA work).<sup>6</sup> Though both the categories of work contribute to human well being and to human capital formation, macro policies are formulated and monitored only on the basis of the statistics on economic work.

This approach of using a partial picture for formulating and monitoring macro policies is not valid because there is no rigid demarcation between the SNA and ESNA work. Activities move from SNA to ESNA depending on specific situations. In fact, macro policies and macro economic conditions tend to have a considerable impact on the division of total work into SNA and ESNA. When incomes and employment are rising, during the upward movement in the business cycle or during the process of economic growth, several domestic services like childcare, food processing or cooking etc. enter the market, and when incomes and employment are falling, during the period of economic crisis, these activities move out from SNA to ESNA status. The total economy thus consists of SNA and ESNA work. It will not be valid therefore to exclude unpaid work or ESNA work from the national database.

Again, it needs to be underlined that SNA and ESNA activities in any economy are closely linked with each other in several other ways: Firstly, there is a trade off between the SNA and ESNA activities. Generally, the higher the time spent on the SNA activities, the lower will be the time available for ESNA activities, and vice versa. For example, when women spend more time on ESNA activities, they are left with less time for SNA activities, and if they participate in SNA activities beyond a limit, it will increase their time stress, which may have adverse impact on their leisure, health and general well being as well as on their productivity in SNA and ESNA work. .

Secondly, SNA and ESNA activities impact on each other, not only in terms of the time available for the other set of activities, but also in terms of opportunities and upward mobility in life. For example, the burden of unpaid works at home on women results in their inferior status and lower opportunities in the labour market. Since women enter the labour market with a burden of ESNA work, they have limited capabilities, time or willingness to access opportunities for upward mobility in the labour market.

Thirdly, macro policies do not impact equally on SNA and ESNA activities. Frequently, the policies that improve the efficiency of macro economy tend to increase the burden of unpaid ESNA work on women, or on the poor, affecting adversely their well being as well as their opportunities in life. For example, reducing public expenditure to meet the targets of fiscal deficits is considered to be an efficient macro policy, particularly under the globalization policies. However, this efficient macro policy can increase the burden of

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<sup>6</sup> It does not seem to be proper to describe unpaid domestic and voluntary services as 'non-economic' activities.

ESNA work on the poor or on the women whose households decide to reduce their consumption of public services like public health facilities which have become expensive due to the reduction in subsidies or due to the reduced resources spent on health.

In short, it is important to expand the statistical paradigm of national statistical systems to include ESNA activities in order to have a comprehensive view of the economy. If the job of a national statistical system is 'to provide reliable, timely and credible social and economic statistics to assist the decision making within and outside the government, and to stimulate research and promote informed debate relating to conditions of people's life', unpaid ESNA work is surely an important component of the statistical system.

### **Characteristics of ESNA Unpaid Work**

Two additional reasons why one should worry about unpaid work in policy making are that (1) there is a hierarchy of paid and unpaid work, for both economic and non-economic work, in the economy where paid workers have clear advantages over unpaid workers and (2) paid and unpaid work are distributed highly unequally across gender, across other socio-economic groups, between poor and non poor and across regions

There is a clear hierarchy of paid and unpaid work in any economy. To start with, paid work or SNA work is visible and is counted and is therefore recognized explicitly in data systems.<sup>7</sup> On the other hand, ESNA work in most economies is neither visible nor recorded and nor recognized by policy makers as work. It does not therefore have any claim on national resources. Secondly, unpaid work does not receive any (direct) remuneration and therefore is not considered important. It is assumed to be available free and in plenty. The unpaid workers therefore suffer from lower status in the household and in the economy. Thirdly, unpaid (ESNA) work is usually repetitive, boring and frequently tedious, as compared to paid work. Also, unpaid workers have poor chances for upward mobility, as there are hardly any chances of acquiring more power, or higher remuneration within the household. In this sense unpaid work is like dead end jobs. Fourthly, unpaid work is a 24-hour job, mostly without retirement, retirement benefits or pension. Fifthly, unpaid work has usually low level of skills and low productivity, particularly in developing countries. And lastly, unpaid workers have a poor exposure of outside world, and therefore poor confidence and poor human capital.

In addition to the above, unpaid work is highly unequally distributed across gender, across the poor and non-poor and even across regions. This implies that opportunities for upward mobility are highly unevenly distributed because of the constraints put on unpaid workers in an economy.

Unequal gender relations arising from patriarchal values are observed in all countries, industrialized countries and developing countries, though the degree of patriarchal pressures will vary across countries. As the latest Human Development Report (UNDP 2005) shows, even the countries with the highest GDI (Gender related Development index) have the value of the index less than one. (0.941 for Norway, 0.940 for Sweden,

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<sup>7</sup> Even when unpaid economic work is less visible, its claim to visibility and then to public resources is well recognized. Its claim to public resources, however, depends to the extent it is recognized in the official statistical system.

0.938 for Australia and 0.934 for Netherlands). The values are much lower in rest of the countries, less than 0.500 in 40 out of 175 countries, implying less than 50 percent achievements in gender equality. Time use statistics from industrialized as well as developing countries clearly indicate that women carry the major burden of unpaid work.

Similarly, the poor carry a relatively high burden of unpaid work (Hirway and Thakar 2005). The poor have not only lower incomes, but they are also cash poor, as a result of which their access to paid services is very poor. The poor are likely to rely relatively more on unpaid work than the non-poor, as the poor tend to depend more on this work to meet their basic needs. Since they are cash poor, they depend on unpaid domestic services for health, welfare and care related activities. Even among economic activities, they depend on collection of free goods (from common property resources), subsistence work and home based work. They adopt several coping strategies to face different risks and uncertainly to make up for the low income and most of these coping strategies fall within the purview of unpaid SNA and ESNA work. In fact, the poor appear to be trapped in the vicious circle of unpaid work and poverty. They are engaged more in unpaid work because they are poor, and they are poor because their unpaid work put several constraints on their upward mobility.

Even among the poor, a major burden of additional work falls on women. For example, when there is no cash to buy medicines or medical services, women take care of the sick or the old in the household; when there is a food shortage, women spend long hours in collecting fruit, vegetables or fish etc. or undertake the drudgery of food processing to meet the family's needs. In fact, it can be said that since women carry a large burden of unpaid work, and consequently get less time for skill training, they tend to acquire low human capital, which again forces them to earn low incomes and to depend on time consuming coping strategies. Also, the poor health status, a consequence of hard work, tends to reduce their productivity and incomes. There is a need to break this vicious circle to enable them to access better opportunities in life.

Backward regions or lagging regions are generally characterized by poor opportunities for income / employment generation arising from low level of infrastructure, degraded and depleted natural resources or poor capital formation. In the case of India for example, it is observed that the incidence of poverty – both income poverty and human poverty – is higher in environmentally degraded and infrastructurally less developed regions (Hirway and Mahadevia 200). The incidence of unpaid work, both of SNA and ESNA tends to be high in these regions as compared to other regions.

It is also observed that economic growth processes under globalization have led to environmental depletion and degradation as natural resources are viewed as the resources to be used up (destroyed) for promoting economic growth under the established development paradigm. As natural resources are not treated as natural capital to be strengthened and integrated with the man made and human capital, one observes heavy depletion and degradation of resources in the course of economic growth. There is enough evidence to show that people in environmentally degraded regions spend considerable time on unpaid SNA and ESNA work, such as (1) collection of fuel wood, fodder, water, vegetables etc. (2) animal grazing and (3) unpaid domestic services (Hirway 2003). The predominance of unpaid work in these regions tends to become a constraint to economic development as well as to poverty reduction.

In short, unequal distribution of unpaid work across gender, regions and income groups is a major concern for development policy, including policy for poverty reduction.

### **Integrating Unpaid Work into Development Policy**

An important implication of the above discussion is that there is a need to address unpaid work by integrating it into development policies. Integration does not mean that all unpaid work is to be converted into paid work. Though there is a good amount of substitutability between paid (SNA) and unpaid (ESNA) work, not all unpaid work can be or need to be converted into paid work. Some unpaid work is an essential element of our social fabric and is an important part of quality of life.

Integration of unpaid work essentially means sharing of paid and unpaid work by different socio economic groups, including men and women, in such a way that all have equal access to and benefits from society's resources, to opportunities and rewards, and equal participation in influencing what is valued and in shaping directions and decisions. This implies that all unpaid work is shared equally and / or those performing unpaid work are not adversely affected in accessing opportunities.

#### ***Formulation and Monitoring of Macro Policies:***

An important implication of unpaid work for development policy is in the field of formulation and monitoring of all macro policies. As seen earlier, macro economic policies not only impact on unpaid work, but they also impact differently with the result that it becomes necessary to view the macro policies in the context of the wider statistical paradigm.

One major area of concern in the post-globalization period in developing countries is about the impact of economic reforms on vulnerable groups of people, the poor, women, children etc. Several studies have been conducted by scholars to examine the impact of the different economic reforms on these groups. Though these studies have thrown useful light on the different aspects of the impact, one major limitation of the studies has been their partial coverage of the economy. As these studies have covered only SNA activities (in many cases leaving out the subsistence sector), these studies fail to throw light on the impact of globalization policies on unpaid work. Considering the fact that women and vulnerable groups spend a lot of their time on unpaid work, the impact of macro policies on women and the poor is viewed only partially under the present system of policy making and policy monitoring. Consequently, the policies are not likely to address some of the constraints and problems of women and the poor.

One major example of this misjudgment is the fiscal policy. Reduction in fiscal deficits is seen as a good management of macro economy under globalization. Many countries have reduced their public expenditure significantly to meet the targets of fiscal deficits as fixed by the IMF-IBRD. Reduction in public expenditure is usually brought about by (1) reducing expenditure on health, education, social welfare etc (as reduction in other public expenditure does not seem to be politically feasible), (2) reducing or removing subsidies in social services or through (3) privatization of services. In all the three cases, the access of the people, and particularly the poor, to social services is likely to decline, as the

services will become expensive. The people at the margin are likely to cope with this situation by drawing these services, to the extent possible, within the purview of unpaid domestic services. The sick will be looked after at home; children will be withdrawn from schools and may be put to economic work; many other services, which were bought from the market will be produced at home etc. This will increase the burden of the poor and / or of women, who will perform the unpaid domestic services. All these developments can have far reaching consequence on the well being of women and children, on human capital formation within the household and on the development prospects of the economy. Unfortunately policy makers neither collect data on this impact nor consider it in policy making and policy monitoring.

The world's economy is becoming more integrated as well as more unstable than before under globalization. Globalization, which is frequently described as a paradigm for instability (ILO 2004), tends to raise the level of volatility in the market through expansions of global (and domestic) trade, increased capital flows across countries, promotion of financial market integration and through increased competition in the market. This volatility results in frequent restructuring of enterprises, some times leading to down sizing or closures. Workers under globalization therefore are subjected to a high risk of frictional unemployment. However, the approaches to helping these unemployed workers primarily addresses the problem of the unemployed, without bothering about its impact on unpaid domestic work.

A study on Asian Crisis shows that economic adjustment policies increases women's burden of unpaid work (Haddad, Brown and Smith 1999). The burden of economic activities increases also because they tend to take up more than one economic activity to compensate for the loss of income to the family. Floro also shows that women shared unequal burden of Asian Crisis by reallocating their time between SNA and ESNA activities (Floro 1997). Again, a study in Canada has shown that lay offs tends to raise to domestic work of women, as the lack of cash brings in several activities within the purview of domestic work (Bakkar 1999). Unfortunately, policy makers neither collect data on unpaid work nor bother about these issues while formulating and monitoring policies of providing protection to workers during frictional unemployment. These policies primarily address the SNA activities and use the SNA related data for monitoring the policy.

### ***Labour Market and Employment Policy:***

Another major policy area where unpaid work needs to be integrated in to policy making is policis related to labour market and employment.

A major policy goal here is to establish gender equality in the labour market. When women enter the labour market with the burden of unpaid domestic services on their shoulders, it has several implications for their status in the labour market

- Women cannot devote as much time and energy to paid work as men. Because of their domestic responsibilities, women tend to consider labour market work as secondary.
- Women develop lower skill levels and lower human capital than men, as their domestic responsibilities leave less time and energy for market work.



- Domestic responsibilities of women tend to constrain their physical mobility and their capacity to take up additional responsibilities. This is reflected in their lower wages and poor occupational diversification.
- The subordinate status of women in the household puts psychological pressure on them in the labour market and this frequently tends to prevent them from asserting and taking independent decisions in their job. This tends to create a barrier to their development in the labour market.
- Women's flexible labour supply emanating from their burden of unpaid work fits well in the labour market structures in the post globalization period. The increasing participation of women in export based industries have put women in sub contracted home work, part time work, temporary and short term work, piece rated work – all of which leads to their less than satisfactory working conditions and low wage jobs with no social protection.
- The general inability of women to enjoy level playing status in the labour market also leads to women's poor occupational diversification and their overcrowding in low paid low productivity activities.
- Women tend to withdraw from the labour market when children are small and they find it difficult to re-enter the labour market when children are grown.

The net result is that women have a lower access to opportunities in the labour market with their limited horizontal and vertical mobility.

There are broadly three approaches that intervene the labour market to promote gender equality in the labour market.

*Family Friendly Work Policies:* These policies aim at helping women to manage the dual responsibilities at home and at work. The major policy interventions in this area are (1) reducing the rigidities of time schedules for women (and men) for allowing them to work at convenient hours. (For example compressed work week, flexi timings), (2) reducing the time demand on paid work (part time work, job sharing), (3) reducing the gap between work and family (home work and home based work), (4) providing support in domestic responsibilities, mainly child care (crèche at work place and other child care schemes)

*Providing Financial Compensation and Incentives for Child Care:* Another set of policies could be of providing financial compensation and incentives to women (and men) with family responsibilities. The major interventions have could be (1) providing paid maternity leave and sharing maternity costs, (2) financial incentives (tax credit) for taking care of children, the sick or the old, (3) financial incentives to employers who adopt family friendly policies and (4) ensuring equal remuneration to men and women for equal work.

*Compensating women workers for their absence from work for child care:* Women workers can also be helped by providing them not only financial compensation, but also

special breaks and leave for taking care of infants and children. Some of the interventions in this area could be (1) paid maternity leave and maternity benefits to meet the cost of child birth, (2) paternity leave to fathers to enable them to contribute to baby care and care of the mother and (3) special nursing breaks and extra leave to mothers until the child is two years old.

*Policies for Promoting Skills and Productivity:* Consideration the fact that women workers are in a disadvantageous position with respect to accessing opportunities for skill formation or professional training and capacity building, it is necessary to create special opportunities for them in this area. Women workers need to be helped in skill formation and human resource development through special programmes and special interventions designed keeping in mind their specific needs and constraints.

Since they find it difficult in entering the labour market due to biases and discrimination, and since they also find it difficult to re-enter the labour market after children are grown up, they need to be helped in accessing job opportunities whenever possible. Some of the specific interventions could be (1) preference to women in public sector jobs, (2) special programmes for skill formation and human resource development for women/girls (3) training and retraining programmes as well providing proper information and guidance about the opportunities in the labour market to women, who are re-entering the labour market, and (4) improving their access to credit, infrastructure etc to keep them in managing their own ventures.

*Women and Men in the Informal Sector:* There is a need to underline the specific needs of men and women in the informal sector, particularly in developing countries. These women and frequently men, who carry the double burden of SNA and ESNA work, suffer from time poverty (time stress arising from over work, multitasking and low leisure/rest) along with low-income levels. These women need to be helped by (1) interventions to reduce the burden of domestic responsibilities (crèche or child care centers, free lunches to children, technological support to reduce their drudgery of domestic work etc), (2) improving their access to skill trainings and other professional training to upgrade their productivity and (3) infrastructure support, such as credit, marketing, better work sites etc. Special support should also be provided to NGOs who are engaged in organizing women from informal sector to promote their viability and growth.

#### ***Understanding the Child Labour Problem:***

One important instance of how unpaid work can help in understanding the problems of workers, is of child labour. Prevalence of child labour is one of the major problems in developing countries. Though efforts have been made by national governments, the problem is still persisting. One major reason for the persistence of the problem is lack of adequate data on child labour: First of all, the estimates of working children seem to be underreported, as the conventional surveys do not seem to be able to capture children's work adequately. And secondly, there are no data available on how children spend their time, or what do children do when they neither participate in economic activities nor go to school. These "nowhere" children are sizable in a developing country like India. They are a puzzle not resolved due to the lack of data on how children spend their time.

Recently, the time use data on children made it possible for us in India to understand children's work and activities much better (Hirway and Thakar 2005). Our analysis showed that economic participation of children is much more than what is estimated through conventional surveys. The WPR (worker population ratio) of children (6-14 years) is more than double under the time use data as compared to the estimates under the conventional surveys. However, majority of working children work for short periods, mainly on their family farm or family business, and go to school regularly. Eradicating children's work altogether does not seem to be a very practicable or desirable proposition. The analysis also showed that the children who neither go to school nor participate in economic work, are largely engaged in unpaid domestic work, which includes not only taking care of young siblings, but also cleaning & washing, shopping, household management, cooking etc. In fact, their participation in these activities is one of the reasons why they do not go to school. Parents need their help in household work to be able to work in the labour market. The analysis also showed that frequently children roam around doing nothing because they cannot cope with the school education or are pushed out of school because their lack of interest or the lack of their parents in their education. In other words, the available education is perceived as not very useful or not manageable by children and parents. The share of "nowhere" children is quite significant in India, varying from 9.00 percent of Haryana for boys (of the total not school going boys) to 57 percent for TamilNadu boys! The corresponding percentages for girls are 3.71 in Haryana and 52 percent in TamilNadu. (Hirway and Thakar 2005). This

The time use data have thus thrown a very new and a very different light on the problem of child labour. This can lead to realistic solutions to the problem. For example, the analysis suggests that there is a need to make school education relevant and useful as well as attractive to children and their parents; there is a need to reduce the household drudgery of children; and there is a need to provide financial and other support to those who are too poor to send their children to schools. The problem needs to be desegregated to address it effectively.

### ***Business Cycles and Unpaid Work***

Like SNA activities, ESNA activities are also likely to move in a cyclical manner, though the direction is likely to be reverse in the case of ESNA activities. During the boom period, when incomes and employment are increasing, people are likely to reduce their ESNA work by shifting some of it to the market, depending on the specific socio-economic conditions. In the time of a slump, however, the reverse is likely to take place, as reduced incomes and employment will encourage households to increase the domestic burden of work. The macro policies that address the cyclical fluctuations and aim at minimizing the fluctuations to protect the overall levels of livings of people, need to address fluctuations in unpaid work also. There is a need to design specific policies to see that the poor and particularly women are not overburdened by the increased unpaid work. This is a big new area, which needs to be examined and explored systematically.

### ***Social Policy***

Unpaid workers have a claim on the state exchequer for improving their conditions and for raising their productivity and efficiency. This is firstly because they contribute to the total well being of the society, secondly because they contribute to the formation of

human capital that contributes to economic development and thirdly because there is a need to protect these workers against risk or crisis and to improve their efficiency and productivity. The major areas of social concern and the consequent need for social policy interventions are discussed in the following paragraphs:

*Protecting Well being and Quality of life of Unpaid Workers:* Since unpaid workers, mainly women carry the major burden of unpaid work, it is desirable to see that the burden is reduced, so as to improve the well being and quality of life of unpaid workers. Some of the important interventions in this context are as follow:

- Improvement in the technology of households work to reduce the drudgery and tediousness of the domestic work. To reduce the drudgery of cooking, for example, efficient stoves (such as smokeless stoves) can be provided; or to improve the access to water supply local water systems could be developed.
- In order to reduce the burden of unpaid work, crèche or childcare centers need to be developed. Such centers can also provide nutritious food to children and there by take care of mental as well as physical development of children

*Social Protection and Social Insurance for Unpaid Workers:* Another area of interventions could be provision of social protection to unpaid workers. There is a need to provide protection to unpaid workers against old age or against sickness and injury. In this context, it will be interesting to note that Israel has introduced a scheme for providing benefits to single mothers; Republic of Korea is considering giving pensions to house wives as also health insurance; and several industrialized countries like Norway, Canada, Australia are providing tax credit and other financial incentives to households for undertaking care activities.

*Support to Men's Child care Responsibilities:* In order “to break the gender imbalance in caring activities”, several Western European countries have promoted interventions to support men's childcare responsibilities. Some of the major interventions in this area are as follows:

- Paternal leave: Fathers are encouraged to take a two-week leave for the birth or adoption of a child. They can also be given a 10-week paternity leave or an extension of this leave to take care of children.
- Fathers can also be given special leave to take care of a sick child. They can take such leave till the child is three (Norway)
- Parents, particularly fathers can have a right to 25 percent reduction in their working time to take care of the child till it is eight years old. (Sweden)

Such measures are expected to reduce the burden of childcare on women. It will also lead to equal sharing of ESNA work between men and women.

### ***Crisis of Care and Gender Equality***

There is an ongoing debate in the literature about the maintenance of care in today's world, where women are increasingly burdened with economic activities and when gender equality is the goal that is sought after. How to maintain a balance between gender equality on the one hand and assurance of care to children on the other hand is a challenge of which no clear answers are emerging.

Care (of children, the old and the sick) to household members can be provided by four agencies: The state, the market, the community (service) and the household. It is clear that none of these agencies can take up the entire burden of care. How to distribute this burden among these agencies is a question that needs to be addressed.

Under a welfare state, public care services play a major role in providing care. However, the welfare state is now on the decline, with markets gradually taking over. However, if child care is a basic service that takes care of children's mental, intellectual and physical development and if women need to be helped in taking up the burden of care activities, child care need to be considered as a basic right of women. In the right of this rights approach, it is important to provide this service to households at an affordable price. The state can support community services through voluntary organizations for taking care of children during some parts of the day.

Private sector is another agency that shares care activities in many societies. In fact, this market is growing rapidly with the increasing participation of women in the labour market and with the growing awareness about reducing women's unpaid work.

However, not all care activities can be outsourced to the government or to the market. Some basic care needs to be carried out within the household, as it is essential for maintaining social fabric. It is important that care is shared equally by men and women so that (1) no sex is overburdened with work, (2) no sex is overburdened with unpaid work and (3) the minimum care is assured to the household.

The division of paid and unpaid work is an extremely important question, the answer to which depends on the family type or the characteristics of the family. In a highly patriarchal family model, it is the woman who bears the burden of unpaid work and who carries the dual burden of paid and unpaid work. In a socialistic family structure, there is total equality, with the weak family values. In the present economic and political environment, it is difficult to expect this kind of family structures. It is only the egalitarian family structure or a democratic family structure that ensures fair division of paid and unpaid work within the household. Unfortunately very few countries can claim to be even near to this goal of egalitarian family structures. Balancing of care and gender equality is still an illusive dream that societies dream of.

### **Statistical Policy:**

An important policy implication of our discussion on unpaid work is to give visibility to unpaid work by collecting the data on unpaid work on a regular basis and present the data in useful formats. That is, there is a need to mainstream this data into the national statistical system.

The collection of the data needs to be followed up by proper processing the data to make the data useful for policy making. Any statistical data become meaningful to the extent that they are covered into usable information for policy making. It is important for the national statistical office to analyze the data to present the following information.

- Presentation of the data to project gender inequalities in the time use patterns in different types of activities; SNA activities, ESNA activities and personal activities
- Presentation of SNA macro aggregates (GDP, workforce) using the data on paid and unpaid SNA Work
- Valuation of unpaid ESNA activities into satellite accounts to measure the contribution of unpaid work to the total national income.
- The national statistical office can also contribute to the development of concepts and methods of data collection under time use surveys.

It is interesting to note that even though a large number of countries are collecting time use data, a very small number of them is making use of the data in policy making (Corner 2003). Even a country like Australia is not making adequate use of the data (Webster 2000). The main reasons for this are (1) the absence of the standardized concepts and methods of conducting time use surveys, (2) lack of finances to analyze the huge time use data sets (in many cases the surveys are conducted with the assistance of donor / international agencies), (3) the lack of expertise to analyze the data, (4) poor quality of data or the lack of respectability of time use data and (5) lack of appreciation of the uses of the data.

There is no doubt that a lot needs to be done in terms of development of concepts and methods including classification of time use activities. There is also a need to develop training material and organize capacity building programmes. Organizations like the ILO, the UNSD or UNDP can take lead in these areas.

### **Concluding Observations:**

While concluding the discussion, we would like to observe that there is a need to integrate unpaid work in to the formulation and monitoring of development related policies. Unpaid work is a macro economic variable and its inclusion will have important implications for our understanding of macro economics and formulation of macro economic policies.

Unpaid work was not incorporated in earlier development theories in classical economies or in neo classical economics, though there was recognition of such work being existing in the society. It was either seen as unproductive work, or as consumption or leisure labour or as micro level decision, which does not have any implication at the macro level. Marxist economists called unpaid work as reproduction of labour, which was meant for daily maintenance and reproduction of workforce, but was not treated as a part of production of surplus value. The emphasis was on understanding the nature of domestic

work, its links to the market and the social and economic power relations established between paid and unpaid domestic work and between men and women (Beneria 2003).

Gary Becker (1960) was perhaps the first economist to talk about unpaid work in a theory. His theory of allocation of time considered a household as a small factory and argued that they divided their time between paid employment, household production and leisure based on their priorities. However, he neither discussed sharing of work between men and women in a household nor its sharing by different socio economic groups at the macro level. Unpaid work was treated as a micro level phenomenon, usually without any gender dimension.

A beginning has been made however, in terms of developing models using unpaid work as a macro variable. Several economists have presented models or discussed the implications of including unpaid work in to dynamics of development. There is a need, however, to expand the horizons of knowledge through more empirical and conceptual work in this field.

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